

FIRST DIVISION

[G.R. No. 168522, December 19, 2007]

UNIWIDE HOLDINGS, INC., PETITIONER, VS. JANDECS TRANSPORTATION CO., INC., RESPONDENT.

R E S O L U T I O N

CORONA, J.:

Petitioner Uniwide Holdings Inc. filed a petition for review for certiorari under Rule 45 of the Rules of Court assailing the decision^[1] of the Court of Appeals (CA) dated February 16, 2005 in CA-G.R. CV No. 78931 entitled *Jandecs Transportation Co., Inc. v. Uniwide Holdings, Incorporated*. In a resolution dated August 17, 2005,^[2] we denied the petition for failure to show that the CA committed reversible error. Thereafter, petitioner filed a "Motion to Suspend Proceedings with Motion for Reconsideration" calling this Court's attention to the order of suspension of payments and approval of its rehabilitation plan by the Securities and Exchange Commission (SEC).^[3]

The antecedent facts follow.

In January 1997, petitioner and respondent Jandecs Transportation Co., Inc. entered into a contract of "Assignment of Leasehold Rights" under which the latter was to operate food and snack stalls at petitioner's Uniwide Coastal Mall in Parañaque City. The contract was for a period of 18 years, commencing October 1, 1997 up to September 30, 2015, for a consideration of P2,460,630.15. The parties also agreed that respondent's stalls would be located near the movie houses and would be the only stalls to sell food and beverages in that area.

On February 7, 1997, respondent paid the contract price in full. Petitioner, however, failed to turn over the stall units on October 1, 1997 as agreed upon. Respondent sought the rescission of the contract and the refund of its payment. Petitioner refused both.

On July 23, 1999, respondent filed a complaint in the Regional Trial Court (RTC), Branch 257 of Parañaque City, for breach of contract, rescission of contract, damages and issuance of a writ of preliminary attachment. In the complaint,^[4] respondent claimed that, despite full payment, petitioner (1) failed to deliver the stall units on the stipulated date; (2) opened its own food and snack stalls near the cinema area and (3) refused to accommodate its request for the rescission of the contract and the refund of payment.

In its answer,^[5] petitioner admitted respondent's full payment of the contract price but denied that it was bound to deliver the stalls on October 1, 1997. According to petitioner, the contract was clear that it was to turn over the units only upon

completion of the mall. It likewise claimed that, under the contract, it had the option to offer substitute stalls to respondent which the latter, however, rejected.

After trial, the RTC ruled in favor of respondent. It held:

It is not disputed that [petitioner] had failed to [turn over] the units leased to [respondent]. Since the term of the contract is for 18 years to commence on October 1, 1997 to September 30, 2015, it is understood that [petitioner] was obliged to deliver to [respondent] the leased units on October 1, 1997. [Petitioner's] failure to deliver the leased units as provided in the contract obviously constitutes breach thereof.

[Respondent] had paid [petitioner] the full consideration of P2,460,680.15 for the leasehold rights. While [respondent] had fully complied with [its] obligation, [petitioner] has not performed its part of the obligation to deliver to [respondent] the 2 units leased. Hence, [respondent] has the right to rescind the contract. The power to rescind obligations is implied in reciprocal ones, in case one of the obligors should not comply with what is incumbent upon him (Art. 1191, Civil Code).^[6]

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WHEREFORE, finding the act of [respondent] in rescinding the Assignment of Leasehold Rights proper, the same is declared valid and lawful. Accordingly, [petitioner] is ordered to return to [respondent] the amount of P2,460,630.15 plus interest at the legal rate and to pay [respondent] the amount of P30,000.00 for attorney's fees.

SO ORDERED.^[7]

Aggrieved, petitioner appealed the decision to the CA. Except for the award of attorney's fees which it found to be bereft of any basis, the CA upheld the RTC decision saying:

UPON THE VIEW WE TAKE OF THIS CASE, THUS, the Decision of the Regional Trial Court, Parañaque City, Branch 257 in Civil Case No. 99-0268 dated March 12, 2003 is hereby AFFIRMED, with the sole modification that the award of attorney's fees to [respondent] be DELETED. Costs shall also be taxed against [petitioner].

SO ORDERED.^[8]

Petitioner filed a partial motion for reconsideration (MR) of the CA decision but it was denied as well.^[9] Hence, it filed the petition for review on certiorari which we denied on August 17, 2005.^[10] Thereafter, petitioner filed the "Motion to Suspend Proceedings with Motion for Reconsideration."

In its motion to suspend the proceedings, petitioner prays that the action in this Court be held in abeyance in view of the SEC's order of suspension of payments and approval of its rehabilitation plan.^[11] In its MR, on the other hand, it insists that we should find (1) the rescission decreed by the lower courts erroneous and (2) the